

Message Text

CONFIDENTIAL

PAGE 01 SEOUL 07253 290842Z

ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 AGRE-00 CIAE-00 COME-00

INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 FRB-03

OMB-01 FEA-01 CEA-01 DODE-00 H-01 INT-05 L-03

NSC-05 PA-01 AID-05 SS-15 ITC-01 USIA-06 PRS-01

/098 W

-----095464 290844Z /10

P R 290803Z AUG 77

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 6043

INFO USMISSION GENEVA

AMCONSUL HONGKONG

C O N F I D E N T I A L SEOUL 7253

GENEVA FOR PHELAN; STATE FOR EB/FTD; STATE PASS STR

E.O. 11652: GDS

TAGS: ETRD, HK, US

SUBJECT: TEXTILES: HONG KONG TSB ACTION

REF: HONG KONG 10367

1. RE CAT. 120, USG HAS UNDERSTANDING FROM GENEVA TALKS THAT THIS ISSUE TO BE RESOLVED AS SOON AS SCHEDULE PERMITS WITHIN 90 DAY TIME PERIOD AGREED FOR SUSPENSION OF ACTION. ACCORDINGLY, U.S. DEL NOW IN KOREA REQUESTS HONG KONG SUGGESTIONS ON APPROPRIATE TIME, PROCEDURE, AND VENUE FOR BILATERAL CONSULTATIONS TO RESOLVE MATTER. WE WOULD NOT, HOWEVER, WISH TO RULE OUT SOLVING MATTER BY TELEGRAPHIC CONSULTATION.

2. RE OTHER CATEGORIES, INITIAL REACTION OF U.S. TEXTILE DEL NOW IN SEOUL TO HKG INTENTION TO BRING USG TO TSB IS ONE OF AMAZEMENT AND ANGER. THE HISTORY OF THESE CALLED ITEMS OVER PAST FEW MONTHS HAS BEEN IN ESSENCE AN EFFORT BY BOTH SIDES TO QUOTE LOW KEY UNQUOTE THE MATTER DURING NEGOTIATION
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SEOUL 07253 290842Z

OF NEW BILATERAL AND DRAFTING AND EXCHANGE OF DIPLOMATIC NOTES FOR THE NEW BILATERAL AND THE THREE MONTH EXTENSION.

3. AFTER THE USG CALLED THE HGK ON THESE AND SOME OTHER ITEMS, WE DISCUSSED THEM IN LYON AND IN GENEVA DURING THE BILATERAL NEGOTIATIONS. WE REACHED AGREEMENT ON SOME ITEMS: ON OTHERS WE DID NOT. PETER TSAO THEN ASKED USG TO IMPOSE CEILINGS

ON DISPUTED ITEMS, AS PROVIDED FOR IN EXISTING BILATERAL. WE DID SO ON SOME AND, AGAIN AT TSAO REQUEST, COMPUTED THE NUMBERS ON A 15 MONTH BASIS; BOTH SIDES AGREED THAT BEST COURSE WOULD BE FOR U.S. TO IMPOSE CEILINGS SHORTLY AFTER INITIALING OF MEMO OF UNDERSTANDING. IN DOING SO, BOTH SIDES RECOGNIZED MATTER WAS NOT NECESSARILY FINALLY RESOLVED, INCLUDING HKG RIGHT TO REFER MATTER ULTIMATELY TO TSB, BUT INITIAL ESTABLISHMENT OF 15 MONTH NUMBERS AT LEAST ENABLED HKG TO RESUME AUTHORIZING SHIPMENTS AND BOTH SET ASIDE THE ISSUE DURING THE BILATERAL AGREEMENT NEGOTIATIONS.

4. WHAT IS NOW SO ASTOUNDING IS THAT HKG, WITHOUT SO MUCH AS AN IOTA OF WARNING BEFORE PUBLIC ANNOUNCEMENT OF ITS INTENTIONS, IS GOING TO BRING THE CASE BEFORE THE TSB WITHOUT MAKING ANY EFFORT AT BILATERAL RESOLUTION OF QUESTIONS WHICH HAD BEEN EFFECTIVELY SET ASIDE AT BOTH SIDES' REQUEST PENDING NEGOTIATION OF MORE IMPORTANT MATTERS, I.E., THE NEW BILATERAL. IN OTHER WORDS, HKG SEEMS BENT ON A COURSE OF AVOIDING A BILATERAL SOLUTION IN CONTRAST TO ITS EARLIER PRACTICES AND, INSTEAD, ENDEAVORING TO TRY ITS CASE BEFORE THE TSB.

5. U.S. TEXTILE DEL IMMEDIATELY SUSPECTS BILL DORWARD'S FINE HAND HERE AND AN EFFORT TO QUOTE GET EVEN UNQUOTE FOR THE NEW BILATERAL WHICH HE DOES NOT LIKE. WE ALSO SEE YET ANOTHER EXAMPLE OF HKG TEXTILE OFFICIALS FIRING FROM THE HIP. THEY
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 SEOUL 07253 290842Z

HAVE ON A NUMBER OF OCCASIONS THREATENED OR BLUSTERED ABOUT TAKING THE USG TO THE TSB DESPITE THE RECORD SHOWING, IN CASE AFTER CASE, OF USG MAKING EVERY EFFORT TO MEET EVERY HKG REQUEST FOR SPECIAL CONSIDERATIONS (E.G., LEISURE SUITS, SHIRT MERGERS, SPECIAL CONVERSION FACTORS, ETC.).

6. HKG FURTHER KNOWS U.S. TEXTILE DEL HAS HEAVY NEGOTIATING SCHEDULE IN MONTHS AHEAD AND THAT BRINGING CASE TO TSB ON TWO WEEKS NOTICE, WITHOUT ANY PRIOR ENDEAVOR ON ITS PART TO RESOLVE MATTER INFORMALLY, WILL PLACE U.S. TEXTILE OFFICIALS IN MOST DIFFICULT SCHEDULING POSITION.

7. HKG, IN OUR VIEW, IS SIMPLY NOT ACTING IN A MANNER CONSONANT WITH ITS POSITION AS BIGGEST SINGLE SUPPLIER TO U.S. MARKET, AND BODES UNFAVORABLY FOR CONDUCT OF FUTURE TEXTILE RELATIONS. HKG IS, OF COURSE, FREE TO BRING MATTER TO TSB: ONLY POSSIBLE OUTCOME WILL BE TSB RECOMMENDATION THAT TWO PARTIES CONSULT. IF THAT IS TO BE THE ONLY OUTCOME, WHY THEN DOES HKG BRING MATTER BEFORE TSB WITHOUT ASKING FOR ANOTHER ROUND OF CONSULTATIONS BEFOREHAND? OBVIOUS ANSWER APPEARS TO BE TO TRUMPET ITS CASE BEFORE OTHERS, A COURSE WHICH CAN ONLY POISON FUTURE RELATIONS IN THIS FIELD.

SNEIDER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SURVEILLANCE, TEXTILES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 29-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SEOUL07253
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770311-0466
Format: TEL
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770812/aaaaajrd.tel
Line Count: 117
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 29f15751-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 HONG KONG 10367
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1448193
Secure: OPEN
Status: NATIVE
Subject: TEXTILES: HONG KONG TSB ACTION
TAGS: ETRD, HK, US, TSB
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/29f15751-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009